

**Goals for Higher Education:
Legislative Direction for the 2004 Strategic Master Plan**

Revised: September 29, 2003

Representative Don Cox
Representative Fred Jarrett
Representative Skip Priest

1) Access:

Capacity at public institutions of higher education will keep pace with the increased numbers of students expected to demand access, based on current rates of college attendance.

Currently, approximately two-thirds of graduates enter a college or university immediately after high school. When calculated as full-time enrollment, more than 8 percent of young adults and 1.5 percent of working-age adults are enrolled for continuing education, workforce training or retraining, or because they delayed entry and now seek higher education for personal or professional advancement. Institutional capacity must reflect all types of students and their objectives.

Demographics alone will soon result in a significant increase in the number of students seeking access to a public institution of higher education: 33,650 new full-time equivalent students above currently funded levels by 2010. In the past, the Higher Education Coordinating Board has set its sights on increasing participation in higher education. This revised goal acknowledges current resource constraints and the imminent bulge of new students and sets a more modest access target. At the same time, the state must provide funding for the current over-enrollment above budgeted levels. Nearly half of the increased capacity needed to keep pace with demand is back-filling currently unfunded slots.

2) Capacity Allocation & Service Delivery:

Capacity at public institutions of higher education will be reallocated to focus on four-year degrees provided through teaching institutions. Entrance requirements at research institutions will be increased and established for all colleges and universities. The strategic master plan will identify the most efficient and cost-effective service delivery models to implement this policy.

Growing Washington's economy will require individuals with advanced training. Washington has long been an importer of baccalaureate degree holders. The shift in capacity allocation proposed in this goal will expand access to baccalaureate degrees for

our own citizens. The objective of the master plan is to identify the most cost-effective ways to maximize baccalaureate degree production within constrained resources.

Accomplishing this goal will require innovation in service delivery, including creative combinations of education centers, distance learning, and increased flexibility for both branch campuses and community colleges. Delivery models must respond to the unique access challenges faced by placebound students and those living in different regions of the state. The Institute for Public Policy found that while branch campuses are meeting their original mission, the time is right for the state to consider re-directing the mission of each campus to reflect current challenges in higher education and the unique nature of each campus as it has evolved.

Increases in productivity must also be an outcome. Recent research supported by the Pew Learning and Technology Program illustrates that instruction can be re-designed in a way that simultaneously enhances quality and reduces cost - if faculty and institutional leadership are committed to productivity.

Continuing needs for research, lower division preparation, and workforce education should be recognized, but overall resources must be reallocated within the higher education system. In an environment of constrained resources, maintaining the current market share of the research universities is not a viable strategy. The open door policy as currently defined at community and technical colleges may not be sustainable.

3) Economic Responsiveness:

Public institutions will shift budgeted resources in order to increase enrollment capacity in high demand programs so that all students wishing to obtain a high demand degree will have the opportunity to do so. The HECB will work with institutions to identify the true cost of degrees and certifications and recommend ways to fund high-cost programs systematically.

Public institutions of higher education must be more responsive to the needs of businesses and our state's economy for educated and trained individuals in high demand fields. Paul Sommers and the Northwest Policy Center have done extensive analysis intended to improve the responsiveness of professional and technical programs at community and technical colleges. Similarly rigorous research should be developed and disseminated regarding occupations and disciplines requiring advanced degrees.

Frequently, high demand fields are also high-cost in terms of the instructional resources needed to provide the education. Under the state's current financing policy, institutions do not make resource allocation decisions based on demand or market forces. The state pays for students based on an average, forcing institutions to build capacity in low-cost programs in order to subsidize fewer slots in high-cost programs. The result is a large number of low-cost degrees, such as humanities and liberal arts.

The HECB and the institutions of higher education must develop more sophisticated tools to analyze the cost of degrees and demand for degrees. They must use that information to get a better match between supply and demand, so that where there is market demand for particular fields, students have the opportunity to pursue those degrees. Achieving this goal requires reallocation, strategic planning, and new ways of budgeting for higher education. This must be a major focus of the strategic master plan.

4) Efficient Completion:

Two-thirds of students who enter a college or university with the intent of completing a degree or certificate will achieve this goal in a timely fashion.

Efficient completion involves both institutional and individual accountability. Institutions must provide adequate advising, expand oversubscribed courses, and remove scheduling barriers. Students must be focused and intentional in their studies, realizing that taxpayers are subsidizing their education. Possible performance indicators include five-year graduation rates or completion within 125 percent of the credits needed to receive a degree. A completion ratio must also be developed for community and technical college degrees and certifications.

5) Efficient Transfer:

The gap in graduation efficiency between students who start at a four-year institution as freshmen and those who transfer from a community or technical college will be eliminated.

More than 30 percent of baccalaureate degree holders started their education at a community or technical college. The Legislature has a long-standing interest in efficient and fair procedures for transfer and articulation of courses between two and four-year institutions.

Recent research by the Institute for Public Policy highlights the challenges of collaboration between two and four-year institutions. The branch campus two-plus-two model is functioning, but could be improved. At the same time, the comprehensive institutions are implementing their version of two-plus-two through co-located education centers.

Progress toward the goal of efficient transfer becomes even more important as the HECB and institutions develop new models of service delivery to expand access to baccalaureate degrees. Recent legislation to pilot-test competency-based articulation agreements offers a new opportunity to make improvements.

6) Affordability:

Institutions will have greater tuition-setting authority to provide flexibility to improve the quality of instruction and educational programs. However, state, federal, and institutional grants of financial assistance should be coordinated to ensure that the total price of attendance does not exceed 30 percent of any family's income. The success of the financial aid system should be tested against this benchmark on an ongoing basis.

The state must ensure that lower and middle-income families are not priced out of a public higher education. This is particularly important to ensure access for underserved populations of students. According to Pat Callan, affordability is the key element of college opportunity. States must utilize multiple tools to ensure affordability: state support for institutions, tuition, and creative packaging of financial aid from all available sources.

The state's largest financial aid program (State Need Grant) assists families below a certain level of income, currently 55 percent of the state Median Family Income. However, once this income threshold is reached, no additional state support is available. Meanwhile, higher income families contribute a smaller percentage of their overall resources toward the price of a higher education than other families.

The state's goal for affordability should be that price of attendance - tuition, books, room and board - does not exceed 30 percent of family income. The Legislature, HECB and the institutions should manage both tuition setting policy and the various financial aid resources available to students to implement this goal.

7) Accountability:

The HECB and institutions will continue to develop appropriate indicators of institutional performance and implement the data-collection and reporting necessary for an accountability system. Performance indicators will include measures of the quality of student learning as students enter and exit the higher education system, as well as measures of the efficiency of degree production.

The Legislature and the citizens of Washington expect higher education institutions to provide efficient and effective services and need a system for monitoring performance. The HECB and institutions already collect some indicators of institutional performance. These efforts should be expanded to include additional data on such topics as credits-to-degree, cost of a degree, and completion rates. More work is needed to define and measure student performance and outcomes. There is currently not adequate alignment or communication between what high schools expect from students for graduation and what colleges and universities expect for entrance. A meaningful performance measure is needed for the research mission of higher education institutions.

8) Coordination of Policy and Budget:

The HECB, Governor's Office and Legislature will develop decision-making processes that coordinate planning, policy, and operating and capital budget decisions. These decisions will be guided by the strategic master plan for higher education and implemented through performance contracts between the state and each institution.

Under a coordinated system, the Legislature sets broad goals for what is expected from public higher education. The role of the HECB is to translate those goals into a strategic master plan, with recommended strategies for how to accomplish the goals. Irrespective of how legislative committees are organized for decision-making purposes, the strategic master plan is the single document that combines statewide goals, planning, policy, and operating and capital budget options.

Implementation of the strategic master plan, and the policy and budget decisions that flow from it, should occur through a contract negotiated between the state and each institution. Contracts must be performance-focused and crafted to reflect each institution's role and mission. The Legislature then provides monitoring, oversight, contract approval, and funding to support the system.